



FILED
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**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

In the matter of Application of Kerman
Telephone Co. (U 1012 C), d/b/a Sebastian,
to Review Intrastate Rates and Charges and
Rate of Return For Telephone Service Furnished
within the State of California, and to Modify
Selected Rates.

A. 11-12-011
(Filed December 28, 2011)

**NOTICE OF EX PARTE COMMUNICATION
OF KERMAN TELEPHONE CO. (U 1012 C)**

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May 31, 2016

NOTICE OF EX PARTE COMMUNICATION

Pursuant to Rule 8.3 and 8.4 of the Commission's Rules of Practice and Procedure, Kerman Telephone Co. (U 1012 C) ("Kerman") hereby provides notice of the following *ex parte* communications.

On May 26, 2016, counsel for Kerman, Patrick M. Rosvall, met with Advisor to Commissioner Randolph, Lester Wong. The conversation started at approximately 9:20 a.m. and lasted for approximately two minutes. No written materials were exchanged in connection with the meeting. In this conversation, Mr. Rosvall requested a meeting with Commissioner Randolph's office to discuss a further set of changes to the Revised Proposed Decision that would allow Kerman to generate sufficient revenue to reasonably operate. Mr. Rosvall explained to Mr. Wong that there are approximately \$1.2 million in computational errors that cut in favor of Kerman, and approximately \$600,000 of known errors that cut against Kerman.

Also on May 26, 2016, Mr. Rosvall had a brief phone conversation with Jessica Hecht, advisor to Commissioner Florio. The conversation began at approximately 4 p.m. and lasted approximately 10 minutes. No documents were exchanged. During the discussion, Mr. Rosvall noted that there are still significant implementation issues in the Revised Proposed Decision that should be addressed in any ongoing revisions, including the lack of specified tariffed rates, the lack of depreciation rates, the failure of the Revised Proposed Decision to address the mechanics of interim rate relief, and the failure of the Revised Proposed Decision to address the implementation issues raised by Kerman regarding LifeLine rates and support and regarding the timing of rate adjustments for basic residential service in light of the Access Recovery Charge ("ARC") restrictions. Mr. Rosvall also inquired about the anticipated timing of a further draft of the Revised Proposed Decision.

On Friday, May 27, 2016, Mr. Rosvall also spoke with Bill Johnston, advisor to Commissioner Sandoval, regarding the ongoing need for adjustments to the Revised

Proposed Decision. The conversation began at approximately 9:00 a.m. and lasted approximately 10 minutes. No documents were exchanged. During the conversation, Mr. Rosvall asked that Commissioner Sandoval's office consider further adjustments to the Revised Proposed Decision because, with the math errors corrected, it still does not put Kerman in a position where it has sufficient revenues to reasonably operate. Mr. Rosvall discussed the possibility of a meeting with Commissioner Sandoval to discuss alternatives.

This notice has been provided to the service list for A.11-12-011, as stated in the Certificate of Service attached hereto. Please direct any questions regarding this notice to prosvall@cwclaw.com.

Dated this May 31, 2016 at San Francisco, California.

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By:

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